STATE OF CALIFORNIA STEVE WESTLY,
California State Controller

STATE CONTROLLER'S OFFICE 21st CENTURY PROJECT P. O. BOX 942850 Sacramento, CA 94250-5878

DATE: May 10, 2005

21st Century Project Letter #05-006

TO: 21st Century Project Stakeholders

RE: Software Contract Interim Agreement

The 21st Century Project has reached a major milestone! An Interim Agreement was signed with SAP Public Services, Inc., the software product selected for the State's new Human Resource/Payroll System. The Interim Agreement is a contract with SAP to work with the state on the selection of a System Integrator.

The next phase of the procurement is the selection of the System Integrator. The System Integrator will be the prime contractor responsible for integration, coordination, customization, training, installation, conversion, and implementation of the SAP software. The System Integrator Request for Proposal will be released in June 2005. Upon selection of the System Integrator, a final software contract will be signed.

The project is pleased to have reached this major milestone of having selected SAP as the system of the future, and looks forward to sharing more information about the software as it becomes available. It is our intention to schedule meetings in the near future to provide stakeholders an opportunity to view the new software. If you have any questions regarding the project, please send an email to 21stcentury@sco.ca.gov.

Don Scheppmann, Chief, Business Operations 21st Century Project